

MONTANA LEGISLATIVE HISTORY

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Chapter 611 19 91

Bill H 883 S _____ Original bill & history ✓

H. Committee on Taxation

Hearing Date(s) Mar 13 ✓ C

_____ C

_____ C

_____ C

Date Out Mar 13 ✓ C

S. Committee on Taxation

Hearing Date(s) Mar 28 ✓ C

Apr 04 ✓ C

_____ C

_____ C

Apr 04 ✓ C

Did this bill originate in an interim committee? _____ Yes _____ No

Committee _____

Report _____

2/15	REFERRED TO HUMAN SERVICES & AGING		
2/16	FIRST READING		
2/18	FISCAL NOTE REQUESTED		
2/22	HEARING		
2/23	FISCAL NOTE RECEIVED		
2/23	COMMITTEE REPORT—BILL PASSED		
2/23	PLACED ON CONSENT CALENDAR		
2/25	FISCAL NOTE PRINTED		
2/26	3RD READING PASSED	99	0
	TRANSMITTED TO SENATE		
2/26	FIRST READING		
2/26	REFERRED TO PUBLIC HEALTH, WELFARE & SAFETY		
3/20	HEARING		
3/21	COMMITTEE REPORT—BILL CONCURRED		
3/23	2ND READING CONCURRED	47	0
3/25	3RD READING CONCURRED	45	3
	RETURNED TO HOUSE WITH AMENDMENTS		
4/01	SIGNED BY SPEAKER		
4/01	SIGNED BY PRESIDENT		
4/01	TRANSMITTED TO GOVERNOR		
4/06	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 377		
	EFFECTIVE DATE: 4/06/91		

HB 882 INTRODUCED BY RUSSELL, ET AL.

INDIAN EMPLOYMENT PREFERENCE FOR STATE
AGENCIES AND PROJECTS ON RESERVATION

2/15	INTRODUCED		
2/15	REFERRED TO LABOR & EMPLOYMENT RELATIONS		
2/16	FIRST READING		
2/21	HEARING		
2/22	COMMITTEE REPORT—BILL PASSED		
2/25	2ND READING PASSED	70	27
2/26	3RD READING PASSED	64	35
	TRANSMITTED TO SENATE		
2/26	FIRST READING		
2/26	REFERRED TO LABOR & EMPLOYMENT RELATIONS		
3/21	HEARING		
3/26	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
3/28	2ND READING CONCURRED	27	19
4/01	TAKEN FROM 3RD READING AND PLACED ON 2ND READING		
4/04	2ND READING CONCURRED	34	12
4/05	3RD READING CONCURRED	38	12
	RETURNED TO HOUSE WITH AMENDMENTS		
4/10	2ND READING AMENDMENTS CONCURRED	77	16
4/11	3RD READING AMENDMENTS CONCURRED	70	27
4/16	SIGNED BY SPEAKER		
4/16	SIGNED BY PRESIDENT		
4/16	TRANSMITTED TO GOVERNOR		
4/20	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 506		
	EFFECTIVE DATE: 10/01/91		

HB 883 INTRODUCED BY R. DEBRUYCKER, ET AL.

REVISE TAX LIEN ON REAL PROPERTY FOR
TAXES OWED ON PERSONAL PROPERTY

2/15	INTRODUCED		
2/15	REFERRED TO TAXATION		
2/16	FIRST READING		
3/13	HEARING		
3/13	COMMITTEE REPORT—BILL PASSED		
3/16	2ND READING PASSED	84	4

HOUSE FINAL STATUS

HB 887

3/19	3RD READING PASSED	94	4
	TRANSMITTED TO SENATE		
3/20	FIRST READING		
3/20	REFERRED TO TAXATION		
3/28	HEARING		
4/04	COMMITTEE REPORT—BILL CONCURRED		
4/15	2ND READING CONCURRED	48	0
4/16	3RD READING CONCURRED	48	1
	RETURNED TO HOUSE		
4/20	SIGNED BY SPEAKER		
4/20	SIGNED BY PRESIDENT		
4/20	TRANSMITTED TO GOVERNOR		
4/24	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 611		

EFFECTIVE DATE: 10/01/91

HB 884 INTRODUCED BY S. RICE, ET AL.

PROPERTY TAX CREDIT FOR TAX INCREASE FROM
SALES ASSESSMENT RATIO AJUSTMENT

2/15 INTRODUCED
2/15 REFERRED TO TAXATION
2/16 FIRST READING
2/16 FISCAL NOTE REQUESTED
2/21 FISCAL NOTE RECEIVED
2/23 FISCAL NOTE PRINTED
3/15 HEARING
DIED IN COMMITTEE

HB 885 INTRODUCED BY NISBET, ET AL.

REPEAL SALES ASSESSMENT RATIO LAW

2/15 INTRODUCED
2/15 REFERRED TO TAXATION
2/16 FIRST READING
2/16 FISCAL NOTE REQUESTED
2/20 FISCAL NOTE RECEIVED
2/22 FISCAL NOTE PRINTED
3/15 HEARING
3/27 TABLED IN COMMITTEE

HB 886 INTRODUCED BY LEE, ET AL.

AMEND HOMEOWNER LOW-INCOME EXEMPTION
FOR AGED AND HEADS OF HOUSEHOLDS

2/15 INTRODUCED
2/15 REFERRED TO TAXATION
2/16 FIRST READING
2/16 FISCAL NOTE REQUESTED
2/23 FISCAL NOTE PRINTED
2/23 FISCAL NOTE RECEIVED
3/15 HEARING
3/26 TABLED IN COMMITTEE

HB 887 INTRODUCED BY WHALEN, ET AL.

SET LIMITS ON DISCOVERY IN CIVIL ACTIONS

2/15	INTRODUCED		
2/15	REFERRED TO JUDICIARY		
2/16	FIRST READING		
2/22	HEARING		
2/23	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/26	2ND READING PASSED	52	48
2/27	3RD READING PASSED	53	47

HOUSE BILL NO. 883

INTRODUCED BY R. DEBRUYCKER, BERGSAGEL, SPRING, ZOOK,
M. HANSON, L. NELSON, STEPPLER, R. JOHNSON, HOCKETT,
PECK, BACHINI, NATHE, HARDING, DEVLIN

IN THE HOUSE

FEBRUARY 15, 1991	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
FEBRUARY 16, 1991	FIRST READING.
MARCH 13, 1991	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
MARCH 14, 1991	PRINTING REPORT.
MARCH 16, 1991	SECOND READING, DO PASS.
MARCH 18, 1991	ENGROSSING REPORT.
MARCH 19, 1991	THIRD READING, PASSED. AYES, 94; NOES, 4.
	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 19, 1991	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
APRIL 4, 1991	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
APRIL 9, 1991	ON MOTION, CONSIDERATION PASSED UNTIL THE 76TH LEGISLATIVE DAY.
APRIL 15, 1991	SECOND READING, CONCURRED IN.
APRIL 16, 1991	THIRD READING, CONCURRED IN. AYES, 48; NOES, 1.
	RETURNED TO HOUSE.

IN THE HOUSE

APRIL 17, 1991	RECEIVED FROM SENATE.
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SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *HOUSE* BILL NO. *883*
 2 INTRODUCED BY *House Committee on Banking and Finance*
 3 *Jack M. Wilson, Chairman*
 4 *Bill* FOR AN ACT ENTITLED: "AN ACT REVISING THE PROVISIONS
 5 RELATING TO THE PRIOR TAX LIEN ON REAL PROPERTY FOR TAXES
 6 OWED ON PERSONAL PROPERTY; PROVIDING THAT AN OWNER OR HOLDER
 7 OF A MORTGAGE OR OTHER LIEN MAY FILE TO REMOVE THE PRIOR TAX
 8 LIEN ON REAL PROPERTY ONLY WHEN THE TAXABLE VALUE OF
 9 PERSONAL PROPERTY ON WHICH PERSONAL PROPERTY TAXES ARE
 10 DELINQUENT EXCEEDS \$10,000; AND AMENDING SECTION 15-16-402,
 11 MCA."

12
 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 **Section 1.** Section 15-16-402, MCA, is amended to read:

15 "15-16-402. Tax on personal property lien on realty --
 16 separate assessment -- filing of mortgage satisfaction. (1)
 17 Every The tax due upon personal property is a prior lien
 18 upon any or all of such the personal property, which. The
 19 lien ~~shall have~~ has precedence over any other lien, claim,
 20 or demand upon such the personal property, and except as
 21 hereinafter Except as provided in subsection (2), every the
 22 tax upon personal property is also a lien upon the real
 23 property of the owner thereof on and after January 1 of each
 24 year.

25 (2) The taxes upon personal property based upon a

1 taxable value up to and including ~~\$17,000~~ \$10,000 shall be
 2 are a first and prior lien upon the real property of the
 3 owner of such the personal property. Taxes upon personal
 4 property based upon the taxable value thereof in excess of
 5 ~~\$17,000~~ \$10,000 shall be are a first and prior lien upon the
 6 real property of the owner unless the owner or holder of any
 7 mortgage or other lien upon ~~said the~~ real property appearing
 8 of record in the office of the clerk and recorder of the
 9 county where such the real property is situated, at or
 10 before the time such the personal property tax attached
 11 thereto, ~~shall have~~ has filed the a notice hereinafter as
 12 provided for in subsection (3). If the notice is filed, in
 13 which--event the personal property taxes upon such the
 14 taxable value in excess of ~~\$17,000~~ \$10,000 of--taxable--value
 15 ~~shall are~~ not be a lien on the owner's real property of--such
 16 owner. ~~it--shall--be--the--duty--of--the~~ The county treasurer
 17 shall, ~~to--issue--to--any at the request of a~~ mortgagee or lien
 18 holder lienholder, upon his request, issue a statement of
 19 the personal property tax due upon the taxable value up to
 20 and including ~~\$17,000~~ \$10,000. Personal property taxes upon a
 21 taxable value up to ~~\$17,000~~ \$10,000 may be paid, redeemed
 22 from a tax sale as by law provided, or discharged separately
 23 from any personal property taxes in excess of such amount.
 24 Payment of such the taxes upon a taxable value up to ~~\$17,000~~
 25 \$10,000, as herein provided in this subsection, shall

operate to discharge the tax lien upon the personal property of the owner to the extent of such payment in the order that the person paying such tax shall direct.

(3) The holder of any mortgage or lien upon real property who desires to obtain the benefits of this section shall file each year in the office of the county treasurer of said county a notice giving:

(a) the name and address of the mortgagee and holder of the mortgage or lien;

(b) the name of the reputed owner of the land;

(c) the description of the land;

(d) the date of record and expiration of the mortgage or lien;

(e) the amount thereof; and

(f) a statement that he claims the benefit of the provisions of this section.

(4) Such notice shall be ineffectual as to any taxes which shall have become a lien on real property prior to the filing of such notice as aforesaid provided in subsection

(3). If the mortgage be not paid at maturity, such notice shall thereafter be filed annually unless the mortgage be extended for a definite period to be stated in such notice.

(5) Any owner of a mortgage on real estate property upon which personal property taxes are by this section made a lien, where the owner of such real estate property and

personal property has failed to pay taxes due upon such real estate property and personal property for 1 or more years, may file with the department of revenue or its agent in the county in which such property is located a written request to have the personal property and real estate property of the owner separately assessed. Such request must be made by registered or certified mail at least 10 days prior to January 1 in the year for which property is assessed. Upon receipt by the department or its agent of such request, it is hereby--made the duty of the department or its agent to make a separate assessment of real and personal property of the owner thereof, and such personal taxes shall not be a lien upon the real estate property so mortgaged of the owner thereof, and the personal property taxes shall be collected in the manner provided by law for other personal property.

(6) The holder of a mortgage or lien upon real property who files a certificate of satisfaction and the proof and acknowledgment thereof, as provided for in 71-1-211, shall file a copy of the certificate and the proof and acknowledgment with:

(a) the county treasurer if the holder has filed a notice under subsection (3); and

(b) the department of revenue or its agent in the county in which the real property is located if the holder has filed a written request under subsection (5).

1 (7) The provisions of this section do not apply to
2 property for which delinquent property taxes have been
3 suspended or canceled under the provisions of Title 15,
4 chapter 24, part 17. (Subsection (7) terminates December 31,
5 1993--sec. 17, Ch. 631, L. 1989.)"

-End-

Questions From Committee Members: None

Closing by Sponsor: REP. O'KEEFE made no closing statement.

EXECUTIVE ACTION ON HB 877

Motion/Vote: REP. O'KEEFE MOVED HB 877 BE TABLED. Motion carried unanimously.

HEARING ON HB 883

Presentation and Opening Statement by Sponsor:

REP. DeBRUYCKER, House District 13, Floweree, stated there were a number of farm foreclosures in his area which is the main reason HB 883 is introduced. This bill revises the provisions relating to the prior tax lien on real property for taxes owed on personal property. Currently, if a property is foreclosed on and the taxes haven't been paid on the real property, the county can only come in \$1,000 worth of taxable value. HB 883 would raise that figure to \$10,000. It would help the counties and local school districts recover some of their money.

Proponents' Testimony:

Cort Harrington, Montana County Treasurers Association, stated HB 883 does three things: (1) it makes the sections readable; (2) it says if there is real property owned by the same taxpayer, that personal property tax is also a lien on the real property; (3) it requires a lien holder to file an annual notice. He urged the committee's support.

Susan Spurgeon, Fergus County Treasurer, stated HB 883 would address some problems that she has had to deal with in that lien holders who are foreclosing or who have received a tax deed notice will pay only the taxes due on real property. This problem arises when personal property taxes are attached to the state tax bill and how do we deal with the partial payments.

Montana law (15-16-102) state that the county treasurer will only except a tax payment equal to the delinquent taxes including penalty and interest for one taxable year. 15-16-402 addressed in HB 883 would allows the lien holder to pay only \$1,000 of taxable value of personal property on the real estate tax bill. The proposed change to allow \$10,000 of taxable value would eliminate the partial payment problem of most cases.

The annual notice addressed on Page 3, Line 7, would aid both the lien holders and counties to defray the possible delinquent tax problem. When the treasurer receives the annual notice, they could check the status of the taxes due. If their is a delinquent status this would eliminate a surprise for the lien holder when the tax lien process begins after the three years of

delinquent status. With personal property taxes billed separately, the delinquent collection process can begin 30 days after it is delinquent. When it is attached to real estate tax bill, you must wait 36 months. She urged the committee's support of HB 883.

John Witt, Chouteau County Commissioners, submitted a letter from the Lake County Treasurer and a table showing what would happen in Chouteau County if HB 883 were to pass. EXHIBIT 13,14

Opponents' Testimony: None

Questions From Committee Members:

REP. COHEN asked Denis Adams, DOR, to comment on HB 883. Mr. Adams said that there were no technical problems with the bill. He stated that he was surprised that there were no financial institutions to speak in opposition to the bill. REP. COHEN asked why a financial institution find this objectionable. Mr. Adams said that the financial institutions do not want the personal property attached to the real property.

REP. REAM asked Mr. Adams if HB 883 had a fiscal impact. Mr. Adams said it has no fiscal impact on the state. It would probably help the counties.

Closing by Sponsor:

REP. DeBRUYCKER said that the \$1,000 was put on the codes in 1974. With inflation and the length of time passed, \$10,000 is very reasonable.

EXECUTIVE ACTION

Motion: REP. ELLIOTT MADE THE MOTION TO HAVE A COMMITTEE BILL DRAFTED.

Discussion:

REP. ELLIOTT stated that this idea has gone through the Income/Severance Tax Subcommittee and they have approved the concept of the bill. The subject of taxation of cigarettes on Indian Reservations has been that the Supreme Court issued a ruling that said states could tax cigarettes sold to non-tribal members on the reservation. He introduced a bill to do this and not thinking that the court decision would be timely enough, he had the bill draft canceled. He is asking the committee to resurrect the bill draft.

Washington state ascertains the number of tribal members living on a reservation. They then allot a given number to the number of people who they feel smoke. They then allow a wholesaler to ship that many cartons of cigarettes to the reservation untaxed. If any more cartons are shipped to the reservation, they must

have the stamp and they must be taxed.

REP. ELLISON said that he had talked to the DOR. they had stated they were going to tax all the cigarettes going into the reservation. There would then be negotiations with the tribal as to the tax collections. REP. ELLIOTT said he had also talked to the tribes and they were unaware of this. He thinks they will be cooperative with this plan. The tribal representatives that he has talked to informed him that they would not support suing local store owners to recover the taxes.

Vote: Motion on the committee bill carried unanimously.

EXECUTIVE ACTION ON HB 883

Motion/Vote: REP. COHEN MOVED HB 883 DO PASS. Motion carried unanimously.

ADJOURNMENT

Adjournment: 11:00 a.m.



DAN HARRINGTON, Chair



LOIS O'CONNOR, Secretary

DH/lo

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL

DATE 3/13/91

NAME	PRESENT	ABSENT	EXCUSED
REP. DAN HARRINGTON	✓		
REP. BEN COHEN, VICE-CHAIRMAN	✓	X	
REP. BOB REAM, VICE-CHAIRMAN	✓	.	
REP. ED DOLEZAL	✓		
REP. JIM ELLIOTT	✓		
REP. ORVAL ELLISON	✓		
REP. RUSSELL FAGG	✓		
REP. MIKE FOSTER	✓		
REP. BOB GILBERT	✓		
REP. MARIAN HANSON	✓		
REP. DAVID HOFFMAN	✓		
REP. JIM MADISON	✓		
REP. ED MCCAFFREE	✓		
REP. BEA MCCARTHY	✓		
REP. TOM NELSON	✓		
REP. MARK O'KEEFE	✓	.	
REP. BOB RANEY	✓	.	
REP. TED SCHYE	✓		
REP. BARRY "SPOOK" STANG	✓		
REP. FRED THOMAS	✓	.	
REP. DAVE WANZENRIED	✓	.	

HOUSE STANDING COMMITTEE REPORT

March 13, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that House Bill 883 (first reading copy -- white) do pass.

Signed: _____
Dan Harrington, Chairman

Montana County Treasurers' Association

EXHIBIT 13

DATE 3-13-91

HB 883

Patricia J. Cook, President
Lake County Treasurer
106 4th Avenue East
Polson, MT 59860

March 11, 1991

Representative Dan Harrington, Chairman
House Taxation Committee
Capitol Station
Helena, MT 59820

Dear Representative and Committee Members,

As President of the Montana County Treasurers' Association, I am seeking your support for HB-883, a bill which raises the taxable limit of a personal property tax lien which is attached to real property from \$1,000 to \$10,000 after the mortgage company or lienholder has filed proper notice in the office of the county treasurer. This is NOT the amount of tax but taxable value and the amount of taxes attached to real property would be considerably less.

We also support the requirement directing the holder of a mortgage to file annual notice with the county treasurer. The law as it exists now is archaic and outdated. \$1,000 worth of taxable value generates very little revenue. This change would not inflict a hardship on any mortgage or lien holder.

Sincerely,

Patricia Cook

Patricia J. Cook
President, Montana County Treasurers' Association

CHOUTEAU COUNTY
TAX LIEN ON REAL PROPERTY FOR
TAXES OWED ON PERSONAL PROPERTY

SD	Current \$1000/\$10,000	Proposed \$10,000
1	302.47	3024.70
1A	302.47	3024.70
7	276.40	2764.00
7A	274.40	2744.00
11	294.84	2948.40
26	254.05	2540.50
28	350.62	3506.20
1B	310.00	3100.00
28B	354.62	3546.20
28G	334.31	3343.10
44	283.95	2839.50
44B	277.29	2772.90
44BC	279.35	2793.50
49	265.68	2656.80
56	268.96	2689.60
59	262.30	2623.00
99	252.94	2529.40

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Taxation COMMITTEE BILL NO. HB 883
 DATE 3/13/91 SPONSOR(S) Rep. R. DeBruycker

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
CORT HARRINGTON	County Treas Ass	HB 883		✓
Susan Spurgeon	Fergus Co. Treasurer	HB 883		✓
John E. Wille	Chouteau Co. Comm. President MACO	883		✓
Gordon Morris	MAA	883		✓
Myra DeBruycker	self	883		✓

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HEARING ON HOUSE BILL 883Presentation and Opening Statement by Sponsor:

Representative Roger DeBruycker, District 13, said the bill changes the personal property tax on a foreclosure. Currently, personal property can be attached to real property at only \$1000 of taxable value in a foreclosure. The bill raises that level to \$10,000. The law has not been changed since the 1930's. It is fair to the taxpayer. On page 3, the filing is required every year.

Proponents' Testimony:

Gordon Morris, Montana Association of Counties, expressed support for the bill on behalf of MACo and the County Treasurers Association.

Opponents' Testimony:

There were no opponents.

Questions From Committee Members:

Senator Towe asked if any property in the county owned by the taxpayer is given a priority on the real estate of the same taxpayer over and above all liens.

Mr. Morris said it is his understanding that the personal property becomes a lien on the real property regardless of who owns it. If the person is in foreclosure, the lien amount is being raised from \$1000 to \$10,000 which would go back as a liability against the personal holding the mortgage or the title for the real property.

Closing by Sponsor:

Rep. DeBruycker said the bill just raises the lien amount from \$1000 to \$10,000 and requires yearly filing.

HEARING ON HOUSE BILL 877Presentation and Opening Statement by Sponsor:

Representative Ream, District 54, said the bill lifts the sunset provision on the 1 mill levy for economic development.

ROLL CALL

SENATE TAXATION COMMITTEE

DATE 3/25/91

43rd LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SEN. HALLIGAN	X		
SEN. ECK	X		
SEN. BROWN	X		
SEN. DOHERTY	X		
SEN. GAGE	X		
SEN. HARP	X		
SEN. KOEHNKE	X		
SEN. THAYER	X		
SEN. TOWE	X		
SEN. VAN VALKENBURG	X		
SEN. YELLOWTAIL	X		

Each day attach to minutes.

DATE 3/26/11

COMMITTEE ON Sen Jay

1413 877

(Please leave prepared statement with Secretary)

MINUTES

MONTANA SENATE
52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Senator Dorothy Eck, Vice Chairman, on April 4, 1991, at 8:00 a.m.

ROLL CALL

Members Present:

Mike Halligan, Chairman (D)
Dorothy Eck, Vice Chairman (D)
Robert Brown (R)
Steve Doherty (D)
Delwyn Gage (R)
John Harp (R)
Francis Koehnke (D)
Gene Thayer (R)
Thomas Towe (D)
Van Valkenburg (D)
Bill Yellowtail (D)

Members Excused: None

Staff Present: Jeff Martin (Legislative Council).

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Announcements/Discussion: Committee members were in and out of the meeting due to bill hearings in other committees.

EXECUTIVE ACTION ON HOUSE BILL 982

Discussion:

Senator Van Valkenburg asked the committee to defer action on the bill to another day.

EXECUTIVE ACTION ON HOUSE BILL 883

Discussion:

Senator Eck asked Cort Harrington, Montana Treasurers' Association to comment on the bill.

Mr. Harrington said in instances when real property and personal property are taxed together on the same tax bill the property taxes are payable in November and May. If they are paid on personal property alone, the payment is due in the spring of the year. By taxing together, half the payment of the tax on the personal property is being delayed for up to a year. If the taxes go delinquent, they go through the tax deed process and there is a three year wait before the Treasurer can execute on the property. By that time, if the taxes have not been paid, the personal property is gone. The lienholder has filed to protect everything except the \$1000 of personal property and therefore the county loses the tax on that personal property as it has usually been sold.

The bill raises the \$1000 to \$10,000 which allows the county to collect on those delinquent taxes. The \$1000 limit was set in 1935 and has never been raised. The \$10,000 could amount to \$3500 in taxes the counties could recover, depending on the millage in the county. The bill also contains a requirement for the lienholder to file an annual notice to protect his security interest in the property and get the benefit of the \$10,000.

Senator Towe asked why the lienholder has to file every year.

Mr. Harrington replied if there is a prior lien the tax statement can be segregated and the property tax will be paid separately from the real property. This would give the Treasurer and the Assessor the right to request the separation to protect the lien on the personal property.

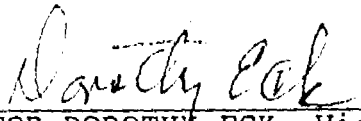
Recommendation and Vote:

Senator Yellowtail moved HB 883 Be Concurred In.

The motion CARRIED unanimously with Senators Harp, Brown, and Doherty away from the meeting.

ADJOURNMENT

Adjournment At: 8:35 a.m.


SENATOR DOROTHY ECK, Vice-Chairman


JILL D. ROHYAN, Secretary

ROLL CALL

SENATE TAXATION COMMITTEE

DATE 4/1/

52nd LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SEN. HALLIGAN	✓		
SEN. ECK	X		
SEN. BROWN	X		
SEN. DOHERTY	X		
SEN. GAGE	X		
SEN. HARP	X		
SEN. KOEHNKE	X		
SEN. THAYER	✓		
SEN. TOWE	✓		
SEN. VAN VALKENBURG	✓		
SEN. YELLOWTAIL	X		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 4, 1991

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 883 (third reading copy -- blue), respectfully report that House Bill No. 883 be concurred in:

Signed: _____
Mike Halligan, Chairman

141 11/11/91

And. Coord.

SP 4-4 2:20

Sec. of Senate